



# Memorandum

**TO:** RULES AND OPEN  
GOVERNMENT COMMITTEE

**FROM:** Mayor Chuck Reed

**SUBJECT:** MODIFICATION TO THE  
DOWNTOWN BUSINESS  
INCENTIVES PROGRAM

**DATE:** March 6, 2014

**APPROVED:**

*Chuck Reed*

**DATE:**

*3/6/14*

## RECOMMENDATION

Place an item on the March 25, 2014 City Council Agenda for Council approval of a resolution authorizing the City Manager to execute an agreement with California News Partnership, conditioned on a long-term lease of Downtown office space, to provide for the relocation of the Bay Area News Group and the San Jose Mercury News operations to the Downtown, with certain modifications to the Downtown Business Parking Incentives Program, as follows:

- a. 200 total parking spaces would be provided in the 3<sup>rd</sup> Street Parking Garage;
- b. 160 parking spaces would be provided free for Years 1 through 4 of the lease;
- c. 160 parking spaces would be provided at half price of the regular monthly parking rate of \$100 per space for Year 5;
- d. 160 parking spaces would be provided at full price of the regular monthly parking rate of \$100 per space for Years 6 through 7½ ; and,
- e. 20 parking spaces will be provided at full price of the regular monthly parking rate of \$100 per space during Years 1 through 4; and,
- f. 20 parking spaces will be provided at full price of the regular monthly parking rate of \$100 per space throughout the lease, if used.

## BACKGROUND

750 Ridder Park Drive in North San José has been home to the San Jose Mercury News headquarters and printing plant for decades. Last year, that 36-acre property was sold. The Bay Area News Group and San Jose Mercury News currently occupy the property on a short-term lease basis. Several office buildings throughout the Silicon Valley have been considered for the relocation of the operations. Cost considerations have been paramount in their decision making process.

I am recommending a modification to the Downtown Parking Incentives Program to mitigate the financial costs of a proposed move to a Downtown office building. The parking spaces are available, can be provided at minimal cost to the City, and the transaction would increase revenues to the parking fund over what is now being received.